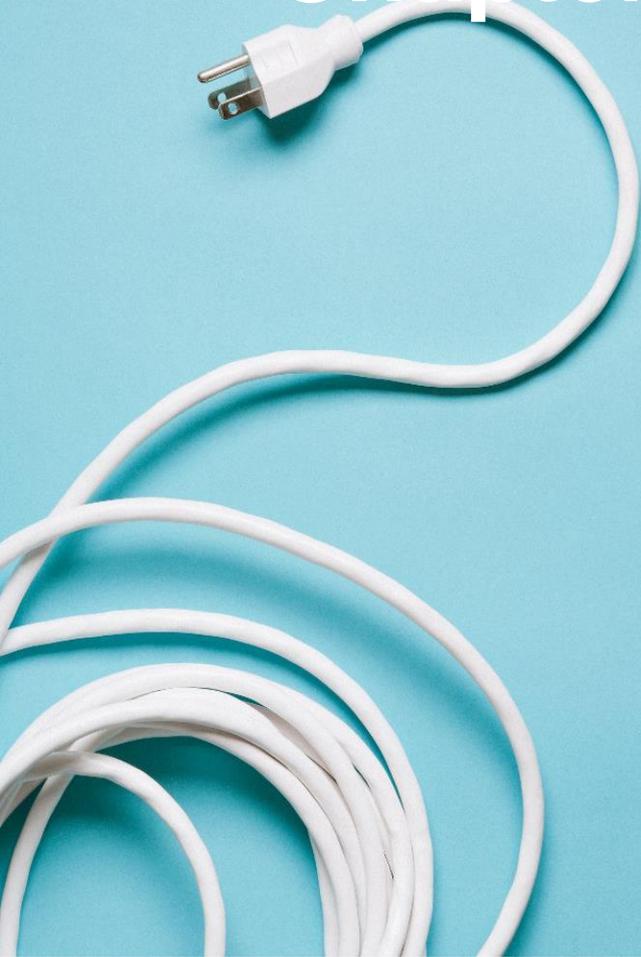


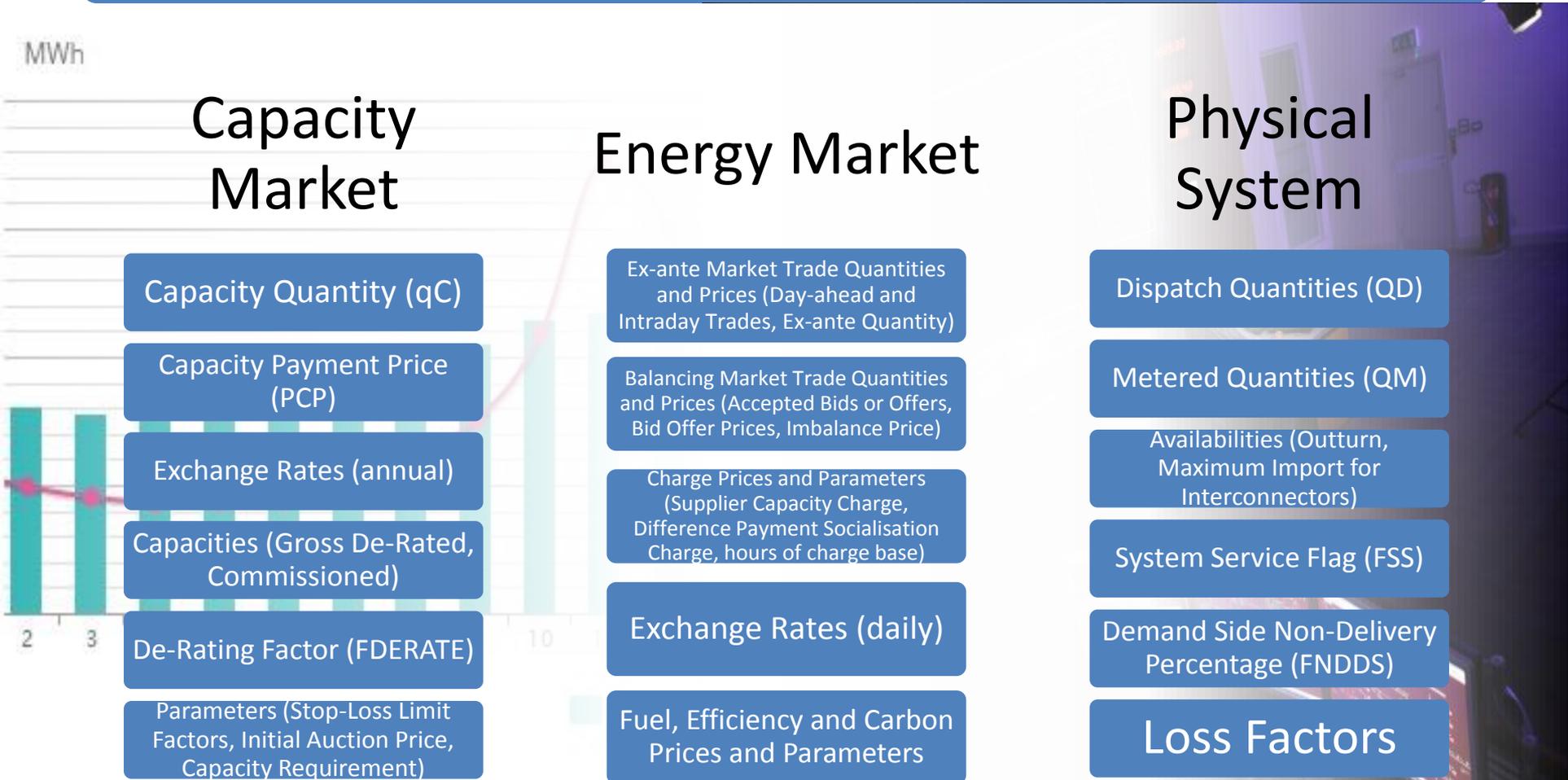
Chapter 2: Process and Data Inputs



Process and Data Inputs – 1/7

- Activities related to Capacity Market settlement include:
 - Submission, collection and processing of data;
 - Calculation of settlement amounts by the Market Operator;
 - Publication and receipt of settlement data and settlement documents through the Balancing Market Interface;
 - Payment of amounts owed to and owed by participants;
 - Repeat process for settlement reruns.
- Capacity Payments, Capacity Charges, and Difference Payment Socialisation Charges:
 - These are defined as “Capacity Payments and Charges”;
 - They are included on Settlement Documents on a Capacity Period basis (i.e. monthly).
- Difference Payments and Difference Charges:
 - These are defined as “Trading Payments and Charges”;
 - They are related to energy market settlement (i.e. based on ex-ante, balancing or imbalance market prices, enacts hedge for Suppliers against energy market prices);
 - They are included on Settlement Documents on the same basis as Balancing Market settlement, on a Billing Period basis (i.e. weekly).

Process and Data Inputs – 2/7



Process and Data Inputs – 3/7

Capacity Market

Capacity Quantity (qC)

Capacity Payment Price (PCP)

Used for calculating Capacity Payments, Stop-Loss Limits, and Obligated Capacity Quantities

De-Rating Factor (FDERATE)

Parameters (Stop-Loss Limit Factors, Initial Auction Price, Capacity Requirement)

Energy Market

Ex-ante Market Trade Quantities and Prices (Day-ahead and Intraday Trades, Ex-ante Quantity)

Balancing Market Trade Quantities and Prices (Accepted Bids or Offers, Day-ahead and Intraday Trades, Ex-ante Quantity)

Used for calculating Capacity Charges, Difference Charges and Difference Payments

Exchange Rates (daily)

Fuel, Efficiency and Carbon Prices and Parameters

Physical System

Dispatch Quantities (QD)

Metered Quantities (QM)

Used for calculating Capacity Charges, Difference Charges and Difference Payments

Demand Side Non-Delivery Percentage (FNDDS)

Loss Factors

Process and Data Inputs – 4/7

● Applies
 ● Sometimes Applies
 ● Does Not Apply
● Applies in Specific Way

These are the different variable names for the different components of the capacity market payments and charges, and an indication of the units to which they apply.

Payment / Charge Name	Capacity Market Unit (CMU)	CMU for Autoproducer Unit	CMU for Interconnector	CMU for Demand Side Unit	Supplier Unit (incl. ASU)	Trading Site Supplier Unit	
Capacity Payment	●	●	●	●	●	●	
Capacity Charge	●	●	●	●	●	●	
Difference Payment Socialisation Charge	●	●	●	●	●	●	
Day-ahead Difference Charge	●	●	●	●	●	●	} Total Difference Charge
Within-day Difference Charge	●	●	●	●	●	●	
Non-Performance Difference Charge	●	●	●	●	●	●	
Day-ahead Difference Payment	●	●	●	●	●	●	} Achievable Difference Payment
Intraday Difference Payment	●	●	●	●	●	●	
Imbalance Difference Payment	●	●	●	●	●	●	
Difference Payment Shortfall Amount	●	●	●	●	●	●	
Difference Payment Reimbursement Amount	●	●	●	●	●	●	

Process and Data Inputs – 5/7

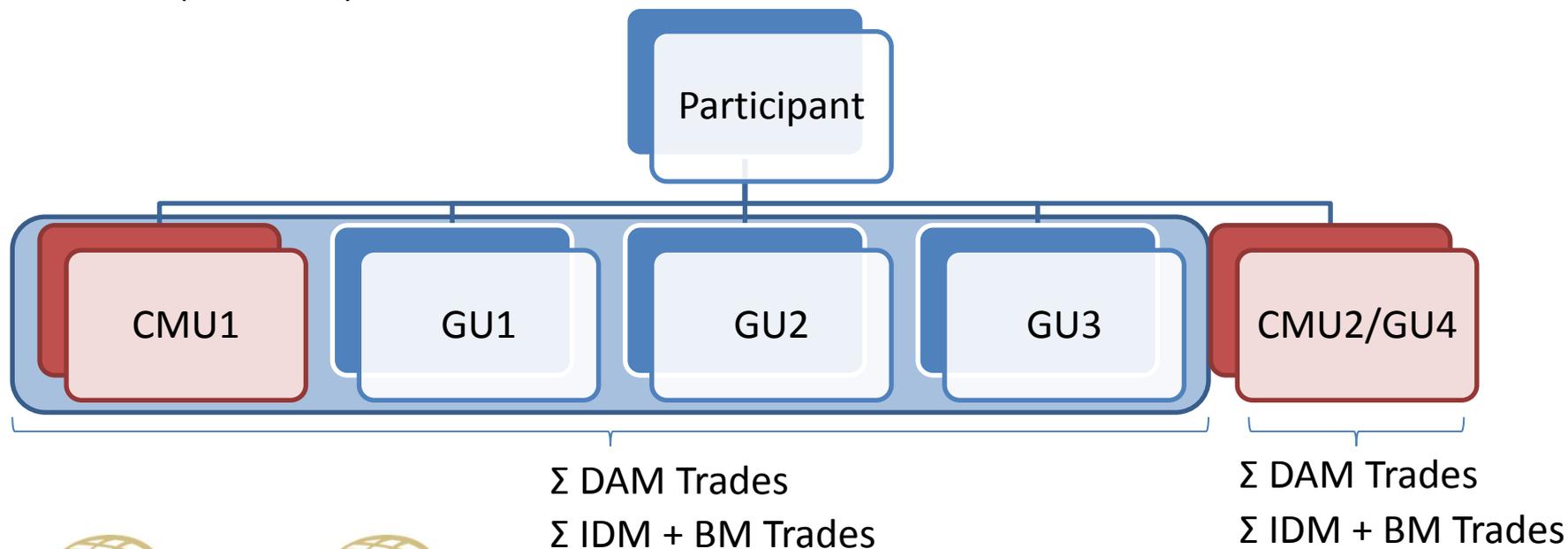
● Applies
 ● Sometimes Applies
 ● Does Not Apply
● Applies in Specific Way

These are the different variable names for the different components of the capacity market payments and charges, and an indication of the units to which they apply.

<i>Payment / Charge Name</i>	<i>Capacity Market Unit (CMU)</i>	<i>CMU for Autoproducer Unit</i>	<i>CMU for Interconnector</i>	<i>CMU for Demand Side Unit</i>	<i>Supplier Unit (incl. ASU)</i>	<i>Trading Site Supplier Unit</i>	
$CCP_{\Omega Y}$	●	●	●	●	●	●	
CCC_{vY}	●	●	●	●	●	●	
$CSOCDIFFP_{vY}$	●	●	●	●	●	●	
$CDIFFCDA_{\Omega Y}$	●	●	●	●	●	●	} $CDIFFCTOT_{\Omega Y}$
$CDIFFCWD_{\Omega Y}$	●	●	●	●	●	●	
$CDIFFCNP_{\Omega Y}$	●	●	●	●	●	●	
$CDIFFPDA_{vd}$	●	●	●	●	●	●	} $CDIFFPACHIEVE_{vY}$
$CDIFFPID_{vd}$	●	●	●	●	●	●	
$CDIFFPIMB_{vd}$	●	●	●	●	●	●	
$CSHORTDIFFP_{vd}$	●	●	●	●	●	●	
$CREIMDIFFP_{vd}$	●	●	●	●	●	●	

Process and Data Inputs – 6/7

- Capacity Auction and Payments:
 - A CMU can be a Generator Unit representing itself, or can be a “parent” unit to a number of “child” Generator Units.
 - Only CMUs enter auction and receive Capacity Payments.
- Difference Charges:
 - Only CMUs are subject to Difference Charges;
 - CMUs are not active in the energy markets – the sum of the trades of the child Generator Units represented by CMU are taken.



Process and Data Inputs – 7/7

- Trading Site Supplier Units (TSSUs) only receive Imbalance Difference Payments if the site is net importing:
 - This is the only scenario when they are exposed to the Imbalance Settlement Price, and therefore needs the payment to enact the hedge.
- TSSUs pay the Capacity Supplier Charge if the site is net importing.
- Autoproducers can trade ex-ante through a Trading Unit, representing the net position of their Trading Site;
- Therefore Difference Charges for Autoproducers are calculated at the Trading Site level:
 - TSSU demand needs to be added to the amount of the CMU's obligation being met through an ex-ante market trade to reflect the fact that their Trading Unit's trade amounts are net of this demand.

